

House Study Bill 615 - Introduced

HOUSE FILE _____

BY (PROPOSED COMMITTEE ON
WAYS AND MEANS BILL BY
CHAIRPERSON HEIN)

A BILL FOR

1 An Act exempting from the state sales and use tax the purchase
2 price of specified digital products, prewritten computer
3 software, and related services sold to public utilities, and
4 including effective date provisions.
5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 423.3, subsection 104, paragraph b,
2 subparagraph (1), Code 2022, is amended to read as follows:

3 (1) "*Commercial enterprise*" means the same as defined in
4 section 423.3, subsection 47, paragraph "d", subparagraph (1),
5 but also includes professions and occupations, and includes
6 public utilities as defined in section 476.1, subsection 3.

7 Sec. 2. EFFECTIVE DATE. This Act takes effect January 1,
8 2023.

9 EXPLANATION

10 The inclusion of this explanation does not constitute agreement with
11 the explanation's substance by the members of the general assembly.

12 This bill exempts from the state sales and use tax the
13 purchase price of specified digital products, prewritten
14 computer software, and related services sold to public
15 utilities.

16 The bill expands the definition of "commercial enterprise"
17 to include a "public utility" as defined in Code section
18 476.1(3). As a result, the sales price of specified digital
19 products, prewritten computer software, and other enumerated
20 digital and computer services furnished to a public utility are
21 exempt from the sales tax, if exclusively used by the public
22 utility.

23 By operation of Code section 423.6, an item exempt from the
24 imposition of the sales tax is also exempt from the use tax
25 imposed in Code section 423.5.

26 The bill takes effect January 1, 2023.